

Board of Trustees  
**Administration and Finance Committee**  
May 31, 2019 --- 1:00pm to 3:00pm  
Alumni Room

**MINUTES**

**Trustees present:** Linda Snyder (Chair), Jan Saragoni, Pamela Parisi, David Nelson (Ex-Officio). Also Elisa Hamilton.

**Trustees absent:** Karen Keane, David Lee, Peter Nessen, Bill McQuillan.

**Also participating:** Bob Perry (Liaison), Don Arpino, Howie LaRosee, Kym Pinder, Chris Wright, Margaret Maki (E.A. A&F) and Susana Segat (Secretary to the Board).

**Call to Order**

Chair Snyder called the meeting to order at 1:10pm.

**Consideration of the Minutes: March 29, 2019**

On a motion duly made and seconded, it was unanimously

**VOTED: To approve the minutes of the March 29, 2019 committee meeting.**

**Items Requiring a Vote: Approval of FY2019 Fiscal Operations Report through April 30, 2019**

Chair Snyder introduced the fiscal operations report. She mentioned concerns with the preliminary projected deficit and the risks related to any actions that may be taken moving forward. She turned the review of materials over to V.P. Perry.

The April projection at yearend was a deficit of (\$840,000) overall. The Housing Programs were projected to end the year at a (\$700,000) deficit and had an initial budget with a (\$300,000) deficit. (Note: Housing Program would have been in a (\$700,000) deficit position had not there been significant savings in expenditures to end at (\$150,000) deficit position. Revenue was short by (\$475,000) as anticipated, however, expense came in \$600,000 less than budget.

He said that the undergraduate budget is in good shape, even while including South closure expenses. He noted that at the end of the year, any remaining funds would be returned to the fund balance and from there decisions would be made on associated expenses incurred. AVP Arpino explained that part of the ebb and flow of this budget is due to Foundation pledges that will be realized in the future, but there is debt that has to be paid now. Professional and Continuing Education's budget is down slightly, graduate programs are in a positive position, and viewed together they are still positive. Provost Pinder saw an opportunity for efficiencies and new ideas due to the imminent hiring of a new graduate dean. Trustees discussed the housing budget.

Trustees discussed the state's supplemental budget, which provides a 33%-34% shortfall. VP Perry stated that the Commonwealth had not fully funded collective bargaining costs for FY18 and FY19. President Nelson added that this would be an area to address in the next Partnership Plan with the Commonwealth.

On a motion duly made and seconded, it was unanimously

**VOTED: To accept the FY2019 Fiscal Operations Report through April 30, 2019.**

**Items Requiring a Vote: Approval of FY2020 budget**

Chair Snyder yielded the floor to VP Perry for presentation of the proposed balanced budget. VP Perry reviewed the materials and the key takeaways: the balanced budget goal; collective bargaining costs; and academic programs/funding the strategic plan. He said that this is a conservative budget and that any decrease in the expected state revenue would result in reduced expenses. The only categories that received more than level funding belonged to the Public Safety Department, the capital improvements budget, the adjunct budget, and the strategic initiatives line item. Our IT Software update is part of a major upgrade and strategic plan. VP Perry told trustees that spending on strategic planning requests would not begin until the college has the actual enrollment revenue numbers in the fall.

Trustees discussed what they described as an unsustainable yearly 4% increase in tuition, the funds for capital improvements and public safety, and the food service contract. They agreed that for the school to grow, MassArt needs to show good value. AVP Arpino reviewed the tuition retention process, payroll monitoring, and how state funding interacts with those processes. Trustees discussed the Foundation's expected \$650,000 contribution to the college and whether the relationship could support an increase in fundraising. Trustees discussed the upcoming capital campaign.

On a motion duly made and seconded, it was unanimously  
**VOTED: To approve the FY2020 budget.**

Reports: Capital Projects Update  
Galleries/South Project Update

AVP LaRosee reported that the Galleries/South Project is going well and continues to be on schedule. He noted that the daily meetings with the Dimeo superintendent and the daily communications with CityPoint Owner's Project Manager produces smooth coordination. He said that contractor staffing on site is decreasing as the work gets completed. Current installations include glass, flooring, painting, elevator, and the front door. Lighting samples are being tested and gallery staff is evaluating their spaces. Landscaping and outstanding water mitigation issues are being addressed and resolved, along with the items on the punch list. The opening of the site is expected to occur on July 9<sup>th</sup>.

Accelerated Energy Program (AEP)

AVP LaRosee said that the AEP is in the design phase over the summer. He noted that this project is expected to take a large share of our deferred maintenance off the table: over last three years, this has resulted in \$37M deferred maintenance cost avoidance. Some of the items affected by this project include lighting, chillers, radiator valves and controls, ventilators, and BMS controls. Trustees expressed their appreciation for the facilities department and the A&F team throughout the project and requested a tour.

Reports: Enrollment Update

Dean Wright handed out updated materials and reviewed the "MassArt Discount by Tuition Level 2015-2019" document. Admissions is expected to spend \$800,000 more than in AY15 but he estimates that this expense would net \$3.4M more than AY15 tuition revenue and approximately \$1M more than AY18 tuition revenue. Dean Wright added that these numbers do not include a recommended pre-semester cost of \$77,000, which would provide ten days of art instruction and support prior to the start of classes for 26 incoming students. Trustees discussed the benefits of early intervention programs and the potential of having accepted students here in June rather than August. Dean Wright reminded trustees that the 2019 Actual column is a projection, and that the actual numbers would be determined after the add/drop deadline in the fall.

Reports: Housing Strategy

Chair Snyder noted that the housing budget strategy presentation had been held at the earlier Academic Affairs Committee meeting and that there might not be a need to repeat it. Trustees agreed that it was not necessary and agreed to table it from this agenda. Trustees asked that balancing the housing budget be a continued focus and that an update in the September meeting would be necessary.

New Business

There was no new business.

Adjournment

On a motion duly made and seconded at 2:30pm, it was unanimously  
**VOTED: To adjourn.**